CHECKLIST ENVIRONMENTAL ASSESMENT

Proposed Action: Approve Drilling Permit (Form 22) **Project/Well Name:** ML&E Bowes Dome 9B-30-32N-20E

Operator: Montana Land and Exploration, Inc

Location: NE SE Section 30 T32N R20E

County: Blaine MT; Field (or Wildcat): Bowes Dome Gas Field

Proposed Project Date: 11/01/2017

I. DESCRIPTION OF ACTION

Small rig to drill an Eagle Formation test, 750'MD/TVD.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED

Montana Bureau of Mines and Geology, GWIC website (Blaine County Wells).

US Fish and Wildlife, Region 6 website ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA COUNTIES, Blaine County

Montana Natural Heritage Program Website (FWP) Heritage State Rank= S1, S2, S3, T32N R20E

Montana Cadastral Website

Surface Ownership and surface use Section 30 T32N R20E

Montana Department of Natural Resources MEPA Submittal

2. ALTERNATIVES CONSIDERED

No Action Alternative: The proposed well would not be drilled.

Action Alternative: Montana Land and Exploration, Inc would have permission to drill the well.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

3. AIR QUALITY

Long drilling time: No, 3-4 days.

Unusually deep drilling (high horsepower rig): No

Possible H2S gas production: None anticipated.

In/near Class I air quality area: No.

Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under 75-2-

211. AQB review.

Comments: No special concerns – Using small rig to drill an Eagle Formation test, 750'MD/TVD. If there are no gas gathering systems nearby, associated gas can be flared under Board Rule 36.22.1220.

4. WATER QUALITY

Salt/oil based mud: Surface casing hole will be drilled with freshwater and freshwater mud system, Rule 36.22.100.1. Main hole will be drilled with freshwater as well.

High water table: No.

Surface drainage leads to live water: No, closest drainage is Lonetree Coulee directly adjacent to the location and an unnamed ephemeral drainage to the Milk River 3/10 of a mile to the northwest. The Milk River is about 4 miles to the Northwest.

Water well contamination: No water wells within a 1 mile radius. This proposed gas well will be drilled with freshwater and freshwater mud to 250' and steel surface casing will be run and cemented to surface to protect groundwater.

Porous/permeable soils: No, sandy silty clay soils.

Class I stream drainage: Closest Class I stream drainage is the Missouri River, about 7/10 of a mile to the northeast from this location.

Groundwater vulnerability area: Yes, in groundwater vulnerability area.

Mitigation:

- __ Lined reserve pit
- X Adequate surface casing
- __ Berms/dykes, re-routed drainage
- _ Closed mud system
- X Off-site disposal of solids/**liquids** (in approved facility)
- _ Other:

Comments: Steel surface casing will be run and cemented to surface to protect ground water. (Rule 36.22.1001).

Comments: 250' surface casing will be drilled with freshwater, steel casing will be run to 250' and cemented back to surface, to protect freshwater zones in adjacent water wells, Rule 36.22.1001. Adequate surface casing and BOP equipment to prevent problems, (3,000 psi annular and double ram), Rule 36.22.1014.)

5. SOILS/VEGETATION/LAND USE

Vegetation: Grassland.
Steam crossings: None
High erosion potential:
Loss of soil productivity
Unusually large wellsite

ne anticipated.

al: Possible No, small cut of 3.2' and a small fill of 5.5' required.

Loss of soil productivity: No, location will be restored after drilling if unproductive.

Unusually large wellsite (Describe dimensions): No, 250'X250' required.

Damage to improvements: Slight.

Conflict with existing land use/values: Slight.

Mitigation

__ Avoid improvements (topographic tolerance)

_ Exception location requested

X Stockpile topsoil

__ Stream Crossing Permit (other agency review)

_Reclaim unused part of wellsite if productive

__ Special construction methods to enhance reclamation

Access Road: Access will be over existing trail. A new access of 375' will be built into location.

Drilling fluids/solids: The drilling fluids will be allowed to settle in the unlined reserve pit and the free water removed, tested, and spread on an approved landowner site or left in the pit to evaporate. The solids will be allowed to dry and then mix-bury-cover method in spring 2018.

6. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: No residences within a 1 mile radius.

Possibility of H2S: None anticipated.

Size of rig/length of drilling time: 3-4 days.

Mitigation:

X Proper BOP equipment

__ Topographic sound barriers

__ H2S contingency and/or evacuation plan

__ Special equipment/procedures requirements

__ Other:

7. WILDLIFE/RECREATION

Sage Grouse: No.

Proximity to sensitive wildlife areas (DFWP identified): None.

Proximity to recreation sites: None.

Creation of new access to wildlife habitat: No.

Conflict with game range/refuge management: No.

Threatened or endangered Species: Listed threatened or endangered species in Richland County are the Pallid Sturgeon, Black-footed Ferret, and Piping Plover. The Montana Natural Heritage Program website lists five (5) species of concern, the Peregrine Falcon, Northern Redbelly Dace, Iowa Darter, Northern Pearl Dace, and Sauger.

Mitigation: Avoidance (topographic tolerance/exception) Other agency review (DFWP, federal agencies, DNRC Trust Lands) Screening/fencing of pits, drillsite Other: Comments: Private cultivated surface lands. There may be species of concern that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to what he would like done, if a species of concern is discovered at this location. The Board of Oil & Gas has no jurisdiction over private surface lands. No concerns.					
IV. IMPACTS ON THE HUMAN POPULATION					
8. HISTORICAL/CULTURAL/PALEONTOLOGICAL					
Proximity to known sites: Mitigation avoidance (topographic tolerance, location exception) other agency review (SHPO, DNRC Trust Lands, federal agencies)					
Other:					
9. SOCIAL/ECONOMIC					
Substantial effect on tax base Create demand for new governmental services Population increase or relocation Comments: No concerns.					
IV. CITAMADY					

IV. SUMMARY

No long term impacts expected. Some short term impacts will occur, but can be mitigated. I conclude that the approval of the subject Notice of Intent to Drill (does/ $\underline{\text{does not}}$) constitute a major action of state government significantly affecting the quality of the human environment, and (does/ $\underline{\text{does}}$) require the preparation of an environmental impact statement.

EA Checklist	Name:	John Gizicki	Date:	09/12/17
Prepared By:	Title:	Compliance Specialist		